these products has received positive indications for consideration by the US Government.

(d) and (e) Yes, Sir. US Government presently extends the benefit of GSP Scheme to about 140 developing countries including India. In the calender year 2002 India exported duty free products worth about US$2 billion under the US GSP programme.

Growth rate of industrial production

489. SHRI SURESH PACHOURI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the growth rate of industrial production has declined after 1996-97;

(b) if so, the trends in growth of industrial production since 1991 -92;

(c) the reasons for decline in the industrial production in recent years; and

(d) the steps taken to boost industrial production especially capital goods and consumer durables?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI CHENNAMANENI VIDYASAGAR RAO): (a) No, Sir.

(b)and(c) There has been a continuous though fluctuating increase in industrial production since 1991-92 as reflected in the trend in the growth of the Index of Industrial Production (IIP) in the Table below.The fluctuation in the growth rate of overall industrial production to some extent is attributed to a combination of supply and demand factors. Growth rates for the years 1991 - 92,1992-93 and 1993-94 are based on IIP (Base: 1980-81=100) and for the subsequent years on IIP (Base: 1993-94=100).

Trend in the Index of Industrial Production (IIP)

Financial Year	Growth rate in IIP in per cent
1991-92	0.6
1992-93	2.3

1	2
1993-94	6.0
1994-95	9.1
1995-96	13.0
1996-97	6.1
1997-98	6.7
1998-99	4.1
1999-00	6.7
2000-01	5.0
2001-02	2.7
2002-03	5.7
2003-04 (April-September)	5.8

(d) Over the years, government has taken a number of steps to ease supply side constraints through various economic reform measures to promote industrial production. These measures have been complemented by a number of initiatives on taxation and trade policy as well. In the area of indirect taxes, the government has reduced both the multiplicity and levels of tax rates. Peak customs tariffs have been gradually reduced to 25 per cent with further cuts on a number of capital goods used by the textiles, telecom and information technology sectors. The reduction in customs tariffs has been accompanied by removal of quantitative restrictions. This will allow Indian industry greater access to their requirements at competitive prices. Also excise duty regime has been greatly simplified and rationalised with the introduction of excise on a large number of items, particularly consumer durables. The Budgets for 2003-04 has also reduced excise duty rates on a number of items in the textile sector. Export Promotion Capital Goods Scheme (EPCG) has been liberalized to impart greater flexibility in its operation. Further the Budget for 2003-04 has provided a major thrust to infrastructure, principally roads, railways and seaports that is expected to have a favourable impact on demand for a wide variety of industrial products. These measures have been complemented by the Reseve Bank of India's stance of monetary policy

with its preference for softening of interest rates and provision for adequate liquidity to meet credit growth and support investment demand. This is expected to reinforce demand for a wide variety of consumer durables and capital goods in particular.

Deeper economic ties between India and Germany

490. SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Germany is very keen to develop deeper economic ties with India;

(b) if so, the details thereof;

(c) the annual trade between India and Germany during the last three years; year-wise and sector-wise; and

(d) the reasons behind Germany choosing India, instead of China and South Africa?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI SATYABRATA MOOKHERJEE): (a) and (b) During high level interactions between India and Germany, both sides had expressed interest in continuing and expanding bilateral economic ties including trade & commercial relations.

(c) Annual trade level between India and Germany during the last three years is as under:

Year	Bilateral trade between India and Germany (US$/Million)
2000-01	3633.10
2001-02	3816.46
2002-03	4437.77

Indo-German bilateral trade is concentrated in the sectors of textiles/ clothings, machinery/instruments, leather goods, project goods, electrical/electronic goods, transport equipments etc.

(d) India and Germany have a healthy trade relationship. There is no indication that Germany is choosing India instead of China or South Africa.